

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 99-411

February 22, 2001

CENTRAL MAINE POWER COMPANY,  
MAINE YANKEE, MAINECOM SERVICES,  
CMP NATURAL GAS, LLC, MAINE ELECTRIC  
POWER COMPANY, CMP GROUP, INC.  
Request For Approval Of Reorganization  
And Of Affiliated Interest Transactions

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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**I. SUMMARY**

In this Order we require Central Maine Power Company (CMP) to continue to file its annual capital budget as required in our January 4, 2000 Order in this Docket.

**II. BACKGROUND**

On January 22, 2001, CMP submitted a letter asking the Commission to remove the condition from our January 4, 2000 Order in this Docket (Merger Order) that required CMP to submit its annual budget each December. In setting forth this requirement, we stated that "[w]e may remove this filing requirement when a rate plan is considered." CMP argues that the recent implementation of ARP 2000 (ARP) makes this requirement unnecessary because the ARP contains more than adequate standards and reporting on CMP's operations and, if CMP fails to meet the standards, it is subject to substantial penalties. On January 31, 2001, our staff recommended that the Commission continue to require annual filings of the capital budget and sought comments from interested parties. No parties filed comments.

**III. DISCUSSION AND DECISION**

The condition that CMP file its annual budget resulted from the concerns of some parties that following the merger, Energy East might reduce CMP's O&M and capital budgets, thereby potentially degrading service, in order to pay for the cost of the merger. CMP did not request removal of this condition when the Commission was considering the ARP. Therefore nothing in the ARP's design specifically addressed this condition.

We disagree that the ARP's standards and penalties make this condition unnecessary. In particular, we believe that the requirement to file capital budgets should remain in place until at least the mid-period review in the year 2003. While the ARP contains certain service quality measures such as outage levels, changes in capital spending may have effects in later years that would not be immediately apparent in service quality indices. The annual budgets are forward-looking and will be useful in

COMMISSIONERS VOTING FOR: Welch  
Nugent  
Diamond

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1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

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